

UNITED PRESS INTERNATIONAL  
10 January 1985

: HONOLULU

A federal judge has ordered a defunct investment firm to prove its allegations that the CIA is to blame for ruining the company, which folded owing more than 400 people a total of \$22 million.

Ronald Rewald was indicted on 100 counts of fraud, income tax evasion and perjury following the collapse of Bishop, Baldwin, Rewald, Dillingham & Wong. The bankruptcy left more than 400 people without \$22 million they had invested.

U.S. District Judge Harold Fong Wednesday postponed Rewald's March 12 trial until at least May. Fong told federal Public Defender Michael Levine to prove March 4 CIA involvement is relevant to Rewald's defense.

Rewald has maintained the firm was a cover for the CIA and the agency was responsible for its collapse. Thomas Hayes, appointed by federal bankruptcy court to take over the investment firm in August 1983, has said the firm was used as a CIA cover for some agents and to receive limited messages for agents.

But Hayes said Rewald gave the impression the CIA connection was much stronger.

Levine asked Fong to postpone the March 12 trial date because he needs time to examine documents and question hundreds of witnesses.

He said he will file a 150-page classified request Jan. 18 for answers to 1,400 specific questions concerning the CIA's involvement with Rewald and his firm.